
SENATE JOINT MEMORIAL 8012

State of Washington 58th Legislature 2003 Regular Session

By Senators Fraser, Morton and Kline

Read first time 02/03/2003. Referred to Committee on Natural Resources, Energy & Water.

1 TO THE HONORABLE GEORGE W. BUSH, PRESIDENT OF THE UNITED STATES,
2 AND TO THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF
3 REPRESENTATIVES, AND TO THE SENATE AND HOUSE OF REPRESENTATIVES OF THE
4 UNITED STATES, IN CONGRESS ASSEMBLED, AND TO THE HONORABLE SPENCER
5 ABRAHAM, SECRETARY OF THE UNITED STATES DEPARTMENT OF ENERGY, AND TO
6 THE MEMBERS OF THE FEDERAL ENERGY REGULATORY COMMISSION, CHAIRMAN
7 PATRICK WOOD, III, COMMISSIONER NORA M. BROWNELL, AND COMMISSIONER
8 WILLIAM L. MASSEY:

9 We, your Memorialists, the Senate and House of Representatives of
10 the State of Washington, in legislative session assembled, respectfully
11 represent and petition as follows:

12 WHEREAS, The Federal Energy Regulatory Commission recently proposed
13 a new pricing policy for the rates of transmission owners that transfer
14 operational control of their transmission facilities to a Regional
15 Transmission Organization (RTO), form independent transmission
16 companies within RTOs, or pursue additional measures that promote
17 efficient operation and expansion of the transmission grid; and

18 WHEREAS, The proposed policy would create rate incentives based on
19 an unproven theory that it will improve grid performance, reduce

1 wholesale transmission and transactions costs, improve electric
2 reliability, and make electric wholesale competition more effective;
3 and

4 WHEREAS, The proposal offers a single model for the entire nation
5 and fails to recognize regional differences in electricity generation
6 and transmission or the benefits derived from public power; and

7 WHEREAS, Washington state has a comprehensive electricity policy,
8 which encourages efficiency while reflecting our unique resource base;
9 and

10 WHEREAS, The Northwest electricity system is different from most of
11 the rest of the nation and has produced affordable, cost-based rates
12 and reliable service for our region; and

13 WHEREAS, We believe the proposed pricing incentives would harm
14 consumers in our region through increased costs without any positive
15 cost-benefit analysis; and

16 WHEREAS, We believe the proposed pricing incentives will harm the
17 investment climate for new electricity infrastructure in the region due
18 to the Commission's inability to ensure delivery of the promised
19 incentives, and because the incentives first apply to existing
20 transmission and second to new investment, but only if a utility is a
21 member of an RTO; and

22 WHEREAS, We believe the proposed pricing incentives will make more
23 difficult the formation of any new regional transmission organization
24 that is, in fact, well-designed to fit Northwest regional circumstances
25 because the generic incentive is a new cost that may outweigh any
26 benefits of such an organization;

27 NOW, THEREFORE, Your Memorialists respectfully pray that the
28 Federal Energy Regulatory Commission leave the Northwest electricity
29 system in place and withdraw its proposed new pricing policy for the
30 rates of transmission owners until such time as a cost-benefit analysis
31 is completed that indicates a positive benefit for Northwest consumers,
32 and the region expresses its desire to form a new transmission
33 organization; and

34 Your Memorialists further pray that in the event that the Federal
35 Energy Regulatory Commission does not withdraw its proposal, the
36 President and Congress take action to prevent the Federal Energy
37 Regulatory Commission from proceeding with their proposal.

1 BE IT RESOLVED, That copies of this Memorial be immediately
2 transmitted to the Honorable George W. Bush, President of the United
3 States, the Honorable Spencer Abraham, the Secretary of the United
4 States Department of Energy, the Members of the Federal Energy
5 Regulatory Commission, Chairman Patrick Wood, III, Commissioner Nora M.
6 Brownell, and Commissioner William L. Massey, the President of the
7 United States Senate, the Speaker of the House of Representatives, and
8 each member of Congress from the State of Washington.

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